Asia-Pacific Trade Briefs

Tajikistan

Merchandise Trade: Merchandise trade accounted for 88.6% of Tajikistan's total trade in 2015. Merchandise exports in 2015 contracted sharply by 7.9%, slightly less than the Asia-Pacific average exports fall of 9.7%. The main exports base is concentrated in primary commodities such as unwrought aluminium, gold and cotton which collectively account for 59.9% of total goods exports. A prolonged period of low world commodity prices, especially for aluminium and cotton, amid global fears of oversupply and weak demand largely explain Tajikistan's deteriorating exports performance. On the imports side, merchandise imports grew by 6.4% annually on average over the period 2010-2015, but in 2015 there was a sharp imports decline of 20.9%. Tajikistan's major imports are petroleum oils and gases, wheat, clothing and footwear. Discouraging factors for imports in 2015 include weak domestic demand, currency depreciation, and rising costs of imports from non-members of the Eurasian Economic Union (EEU)

Services trade: Services exports contracted sharply in 2015 by 36.2% compared to the Asia-Pacific average contraction of 4.8%, and continued a trend of falling services exports by 13.1% on average over the period 2010-2015. Services imports in 2015 also fell sharply by 41.4%. The lower demand for services used in transporting mining commodities was a major reason for the declining trade in services; 62% of services exports and 81% of services imports are in the transport services sector.

Intraregional trade: In 2015, 59.6% of goods exports were taken by ESCAP economies. Turkey (22.5%) and Kazakhstan (18.2%) are the largest intraregional export destinations. Meanwhile, 91.1% of goods imports were sourced from ESCAP economics, with China, the Russian Federation and Kazakhstan together accounting for 84.3% of Tajikistan's imports.

Foreign direct investment (FDI): While FDI inflows into Tajikistan rose robustly by 25.2% on average over the period 2010-2015 – largely due to the growing role of Chinese investment in the mining, construction and other minerals industry sectors – inflows in 2015 experienced a substantial contraction of 13.6%. The sectors which received the most investment over the five years were the aluminium, cotton and energy sectors, with China, the Russian Federation and Kazakhstan as the largest foreign investors. Since 2013, China has replaced the Russian Federation as the largest foreign investor, with Chinese FDI in the country estimated to reach $6 billion over the period 2015-2018. The slowdown of the Chinese economy, the economic crisis in the Russian Federation, and decreasing investment from energy and mining companies were the major factors explaining the investment decline in Tajikistan.

Tariffs: Tajikistan acceded to the WTO in 2013. The country has a binding coverage at 100.0% of its tariff lines, and average bound duty at 8.1% remained substantially lower than the Asia-Pacific average of 20.0%. In 2014, average MFN applied tariffs at 7.4% were slightly higher than the Asia-Pacific average of 6.9%, while effective tariffs at 5.5% were slightly lower than the Asia-Pacific average of 5.9%.

Trade costs: Trade costs in Tajikistan were substantially higher compared with the most efficient major traders in Asia and the Pacific, and rose steadily over the 2009-2013. Trade costs for Tajikistan are on average over four and two times higher than those for East Asia-3 and European Union-3, respectively, incurred in reaching major trading economies in Asia and the Pacific (China, India, Indonesia and the Russian Federation).

Trade agreement: Tajikistan has 9 preferential trade agreements (PTAs) in force, which is higher than the Asia-Pacific average of 7.6 agreements. 50.6% of total exports are to PTA partners, compared to 33.3% for the Asia-Pacific, while 39.9% of total imports are from PTA partners, compared to 44.0% for the Asia-Pacific.

Figure 1. Key trade and investment indicators

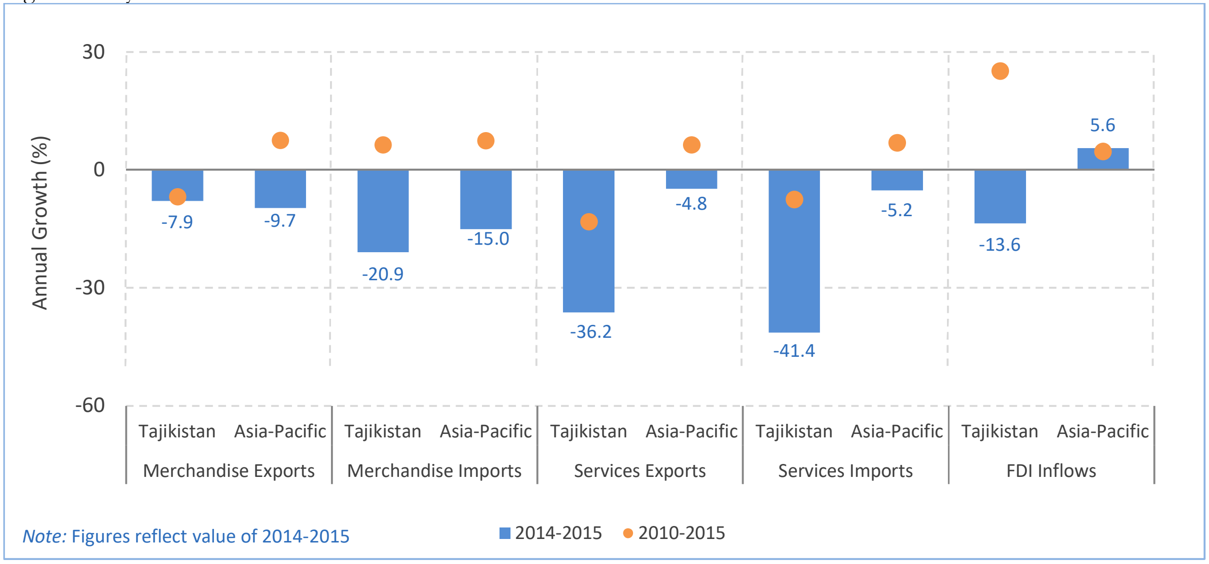

Figure 2. Top merchandise markets

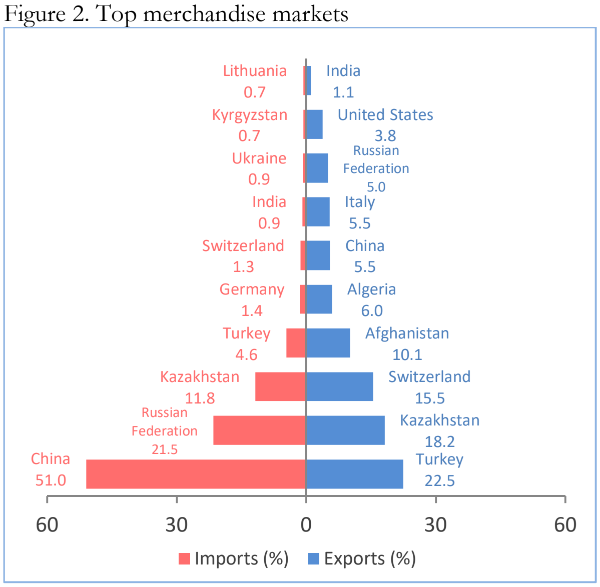

Figure 3. Top merchandise products

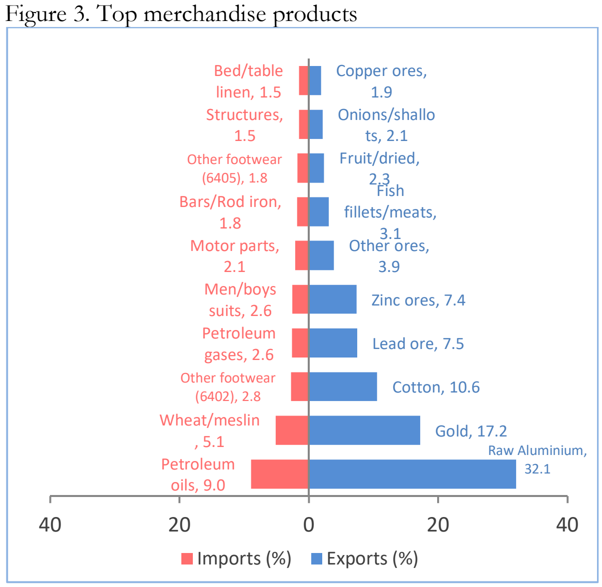

Figure 4. Trade within region and rest of the world

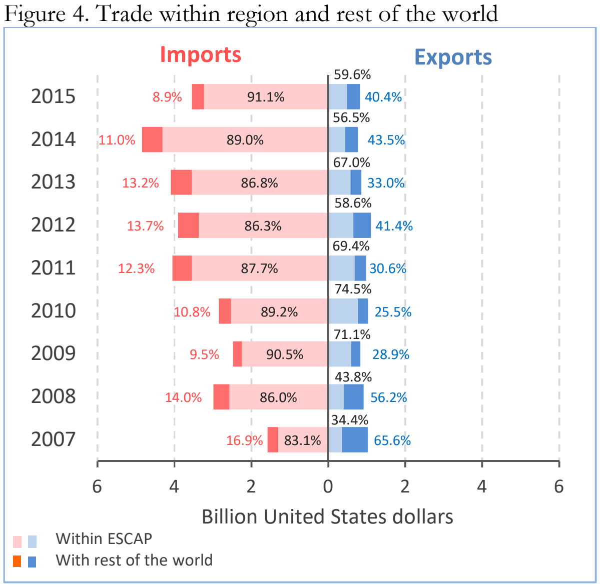

Figure 5. Foreign direct investment

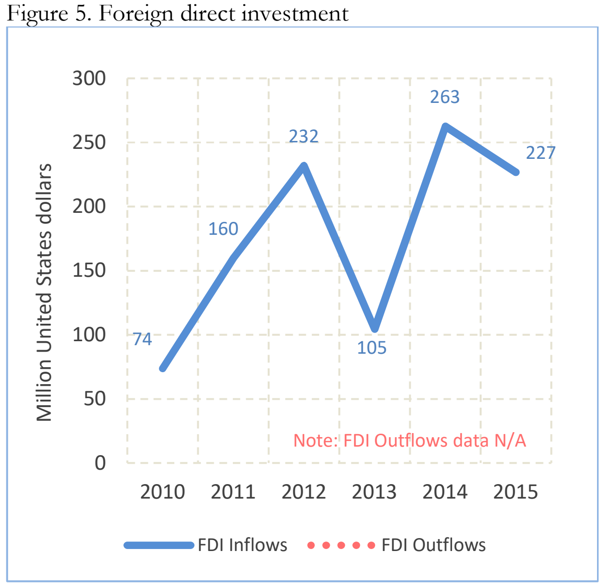

Figure 6. Tariffs (as of 2014)

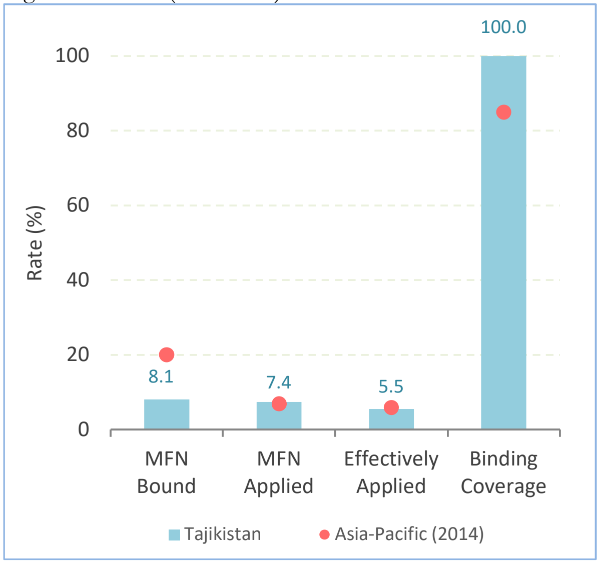

Figure 7. Trade costs